
City of Orrville Ohio
Finance Department

ANNUAL REPORT 2023

Fund Accounting

What is Fund Accounting?

- Method used to segregate money by its sources
 - Ensures money is properly spent and accounted for
- Funds cannot be intermingled
 - One Fund cannot be substituted for another
 - Money cannot be moved from one Fund to another except under limited circumstances.

Why Funds?

- Created to show accountability
- Provide segregation for purpose of:
 - Carrying on specific activities in accordance with specific regulations, restrictions or limitations
 - Can easily identify which monies are available for a specific purpose

What is a Fund?

- Fiscal and accounting entity – self balancing set of accounts
- Record cash and other financial resources, together with all related liability and residual balances
- Unspent amounts (in Governmental Funds) reported as:
 - Restricted, Committed, or Unassigned

Governmental Funds

Governmental funds account for activities supported mainly by taxes and general revenues. The General Fund is Orrville’s primary governmental fund, and allocates resources crucial for the city’s routine operations. These funds are pivotal for maintaining public services and ensuring the overall well-being of Orrville.

Fund	Balance 1/1/2023	Net Income	Balance 12/31/23
GENERAL FUND	\$ 5,943,391	\$ 230,087	\$ 6,173,477
GAS TAX & MVL FUND	18,966	9,441	28,406
STATE HIGHWAY IMPROVEMENT FUND	309,262	48,933	358,195
PERMISSIVE MVL FUND	58,004	-	58,004
PARKING METER FUND	312	-	312
SOLID WASTE SERVICE FUND	175,757	(1,144)	174,613
LAW ENFORCEMENT FUND	6,431	539	6,970
ENFORCEMENT & EDUCATION FUND	5,263	(998)	4,265
CEMETERY MAINTENANCE FUND	152,267	(92,430)	59,837
ORC 4504.15 PERMISSIVE LICENSE FEES FUND	251,616	22,265	273,881
ORC 4504.172 PERMISSIVE LICENSE FEES FUND	100,320	44,595	144,915
AMERICAN RESCUE PLAN FUND	517,711	(259,346)	258,365

Includes accruals, transfers and KWH Tax.

Governmental Funds

Special Revenue Funds account for specific revenue sources that are restricted or committed to expenditures for purposes other than debt service or capital projects.

Fund	Balance 1/1/2023	Net Income	Balance 12/31/23
CPT FUND	15,237	-	15,237
FIRST RESPONDERS SPECIAL REVENUE FUND	23,924	(1,750)	22,174
BLOOMIN ORRVILLE FUND	4,565	(856)	3,708
E.M.S. EQUIPMENT FUND	185,492	140,985	326,478
FIRE DEPARTMENT VEHICLE REPLACEMENT FUND	125,000	-	125,000
RECREATION & PARK FUND	37,385	500	37,885
PERFORMING ARTS FUND	9,936	1,253	11,189
DEPOSIT ESCROW FUND	62,297	7,990	70,287
UNCLAIMED MONIES FUND	9,657	12,401	22,059

General Fund

- Primary operating Fund for City of Orrville
- Accounts for the revenue and expenditures associated with traditional local government services such as police, fire, parks and recreation.

- Departments financed with the General Fund:
 - City Hall
 - City Council
 - Mayor's Office
 - Administration
 - Human Resources
 - Police
 - Fire
 - Streets (portion of expenses are paid from the Gas Tax MVL Fund)
 - Cemetery
 - Parks / Pool / Recreation
 - Finance and Law (small percentage of expenses are paid from the General Fund)

General Fund – Revenue Sources

Revenues for 2023 totaled \$7.065 million, a \$1,120,733 increase compared to 2022. This growth is driven by higher income tax revenue, due to increased employer withholding and business tax payments.

Source	2021 Actual	2022 Actual	2023 Actual	Increase / (Decrease)
City Income Tax	\$ 5,335,301	\$ 4,254,676	\$ 5,408,153	\$ 1,153,477
Property Tax	548,958	549,931	552,072	2,141
Inter-Governmental	355,353	389,113	372,340	(16,773)
Charges for Services	417,623	397,068	430,732	33,664
Fees, Licenses, Permits, Other	5,219	264,218	146,955	(117,263)
Investment Interest	63,592	56,693	118,961	62,268
Lodging Tax	<u>26,083</u>	<u>32,547</u>	<u>35,766</u>	<u>3,219</u>
Grand Total	\$ 6,752,129	\$ 5,944,246	\$ 7,064,979	\$ 1,120,733

Excludes accruals, transfers and KWH tax.

Income Tax

- The City of Orrville levies a 1% income tax
 - Income earned within the City
 - Wages, Salaries and other Compensation
 - Bonus, Stipends, Tips
 - Stock Options, Severance, Sick and Vacation Pay
 - Net income of for-profit organizations that conduct business in Orrville
 - (list is not inclusive)
 - Orrville residents are required to pay this tax on income they earn but are given a 1% credit for income taxes paid to the municipality in which they work.

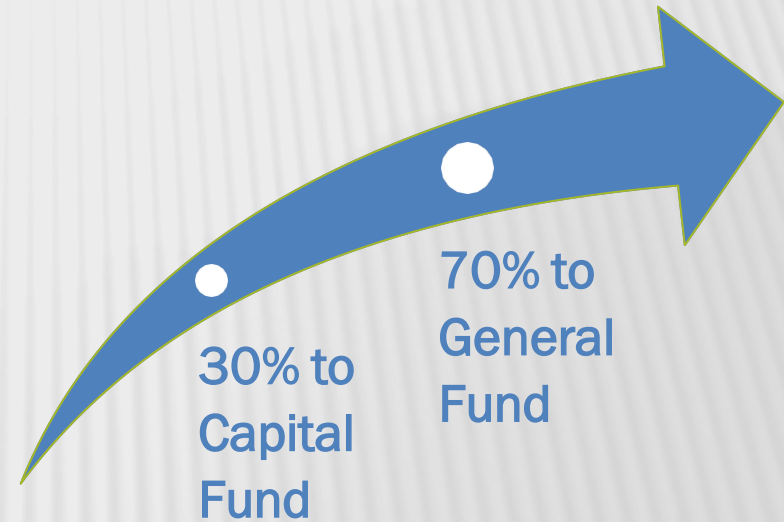
Income Tax Comparison

Taxpayer That Lives In:	Tax Rate	Credit Allowed	Max Credit
Canton	2.50%	100.00%	2.50%
Ashland	2.00%	100.00%	1.00%
Doylestown	2.00%	100.00%	1.00%
Mansfield	2.00%	100.00%	1.00%
Massillon	2.00%	100.00%	2.00%
Dalton	1.50%	100.00%	1.50%
Millersburg	1.50%	0.00%	0.00%
New Philadelphia	1.50%	100.00%	1.50%
Smithville	1.50%	100.00%	1.00%
Wooster	1.50%	100.00%	1.50%
Wadsworth	1.40%	100.00%	1.00%
Medina	1.25%	25.00%	0.75%
Orrville	1.00%	100.00%	1.00%
Rittman	1.50%	0.00%	0.00%

Total Income Tax Revenue

City of Orrville Income Tax Revenue

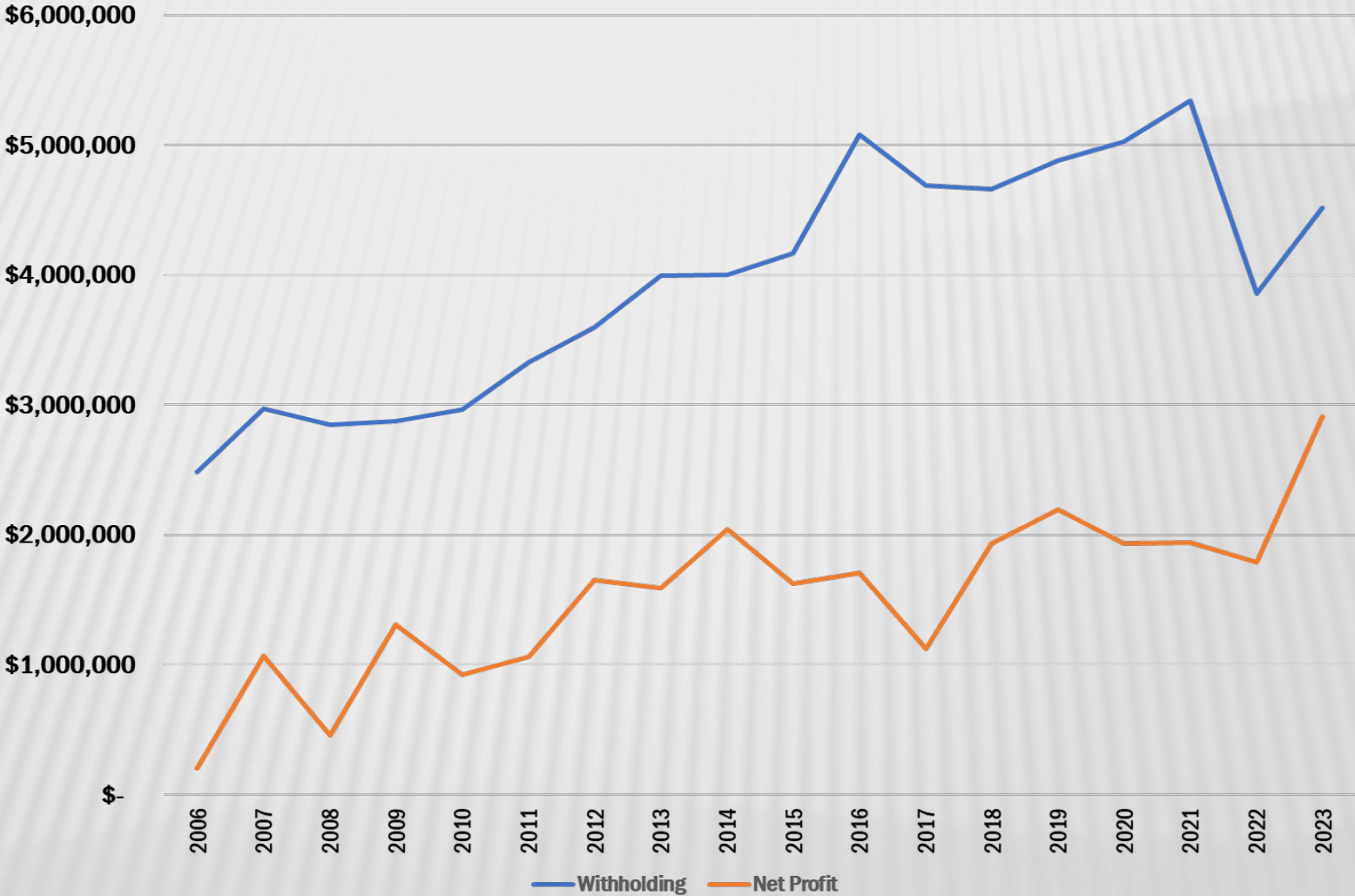
Year	Withholding	Net Profit	Individual	Total Tax
2006	2,486,777	201,174	186,501	2,874,452
2007	2,973,708	1,065,880	153,247	4,192,835
2008	2,847,658	454,332	209,561	3,511,551
2009	2,872,752	1,308,954	190,490	4,372,196
2010	2,968,207	926,966	182,833	4,078,006
2011	3,329,531	1,064,036	178,586	4,572,153
2012	3,594,811	1,653,509	193,149	5,441,469
2013	3,993,975	1,588,209	222,973	5,805,157
2014	4,004,666	2,046,258	253,110	6,304,034
2015	4,167,468	1,628,575	222,681	6,018,724
2016	5,079,415	1,706,753	210,377	6,996,545
2017	4,687,476	1,122,541	230,880	6,040,897
2018	4,659,513	1,935,334	202,046	6,796,893
2019	4,885,197	2,193,896	234,546	7,313,639
2020	5,024,007	1,932,545	258,674	7,215,226
2021	5,343,938	1,944,508	225,350	7,513,796
2022	3,856,444	1,792,318	336,648	5,985,410
2023	4,509,694	2,827,194	329,235	7,666,123



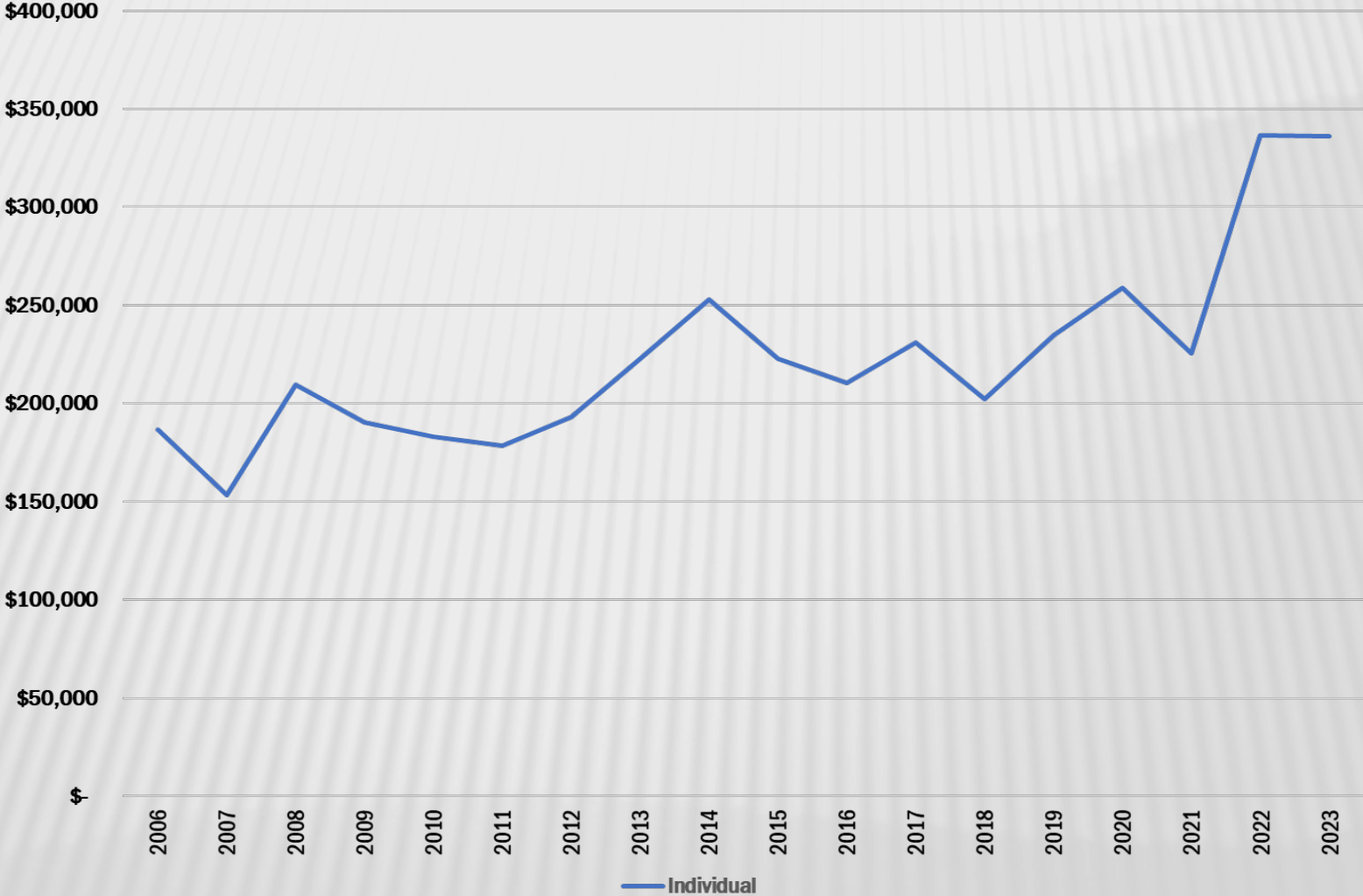
Average Income Tax Collection

Average	Withholding	Net Profit	Individual	Total Tax
5 Year	4,753,820	1,959,720	251,453	6,964,993
10 Year	4,570,210	1,789,094	239,729	6,599,032

Income Tax Revenue – Withholding / Net Profit



Income Tax Revenue – Individual Returns



Income Tax – Non Filing Delinquency Program

Action	Sent	Response	Liability Established	Penalty / Interest	Payments	Balance Due
Non-Filing Letter	1,198	344	\$ 19,956	\$ -	\$ 15,545	\$ 4,411
Administrative Subpoena	854	348	<u>22,483</u>	<u>-</u>	<u>10,345</u>	<u>12,138</u>
Grand Total			\$ 42,439	\$ -	\$ 25,889	\$ 16,549

General Fund – Revenue Sources

Revenues for 2023 totaled \$7.065 million, a \$1,120,733 increase compared to 2022. This growth is driven by higher income tax revenue, due to increased employer withholding and business tax payments.

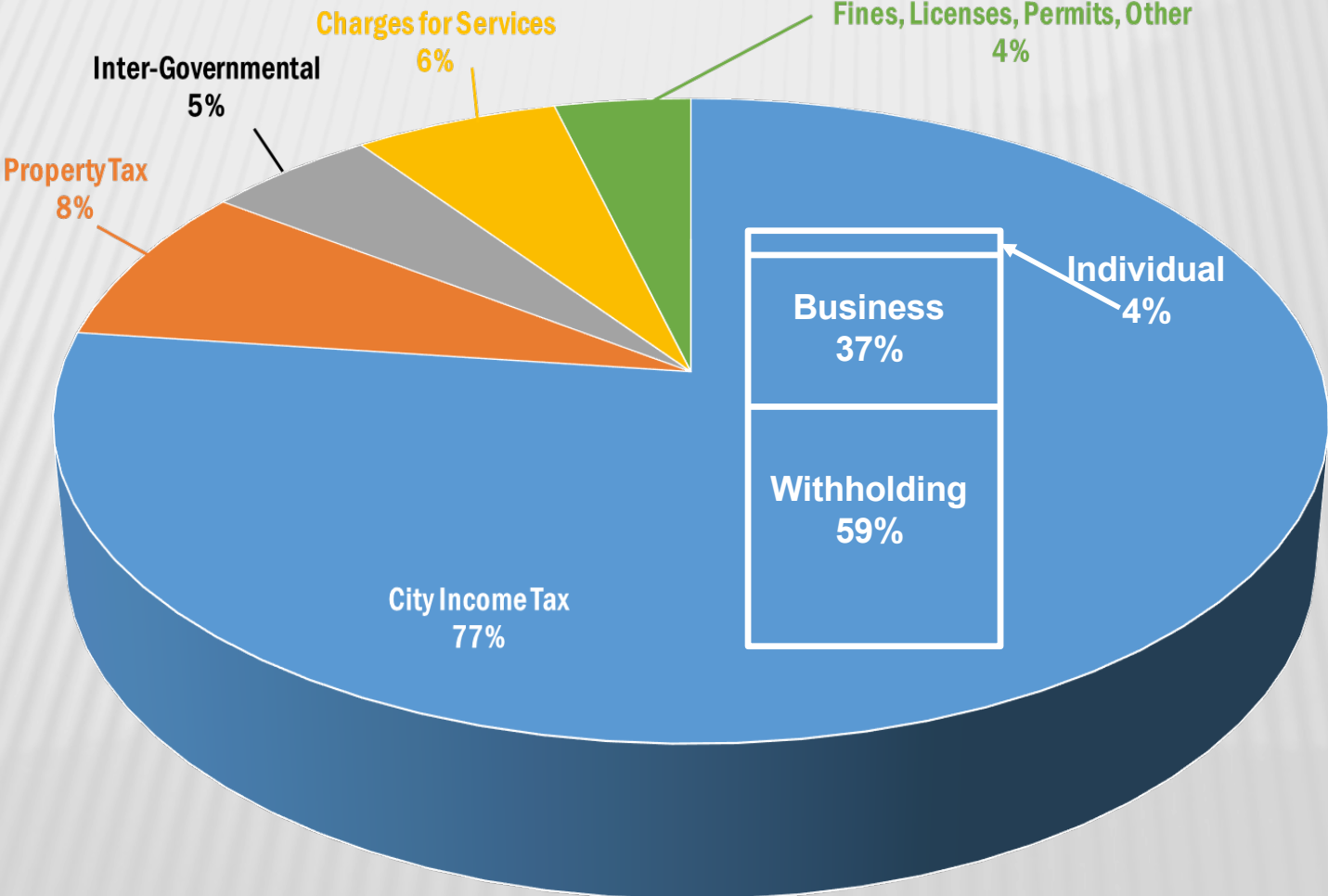
Source	2021 Actual	2022 Actual	2023 Actual	Increase / (Decrease)
City Income Tax	\$ 5,335,301	\$ 4,254,676	\$ 5,408,153	\$ 1,153,477
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Grand Total	\$ 6,752,129	\$ 5,944,246	\$ 7,064,979	\$ 1,120,733

Excludes accruals, transfers and KWH tax.

General Fund – Revenue Sources 2023

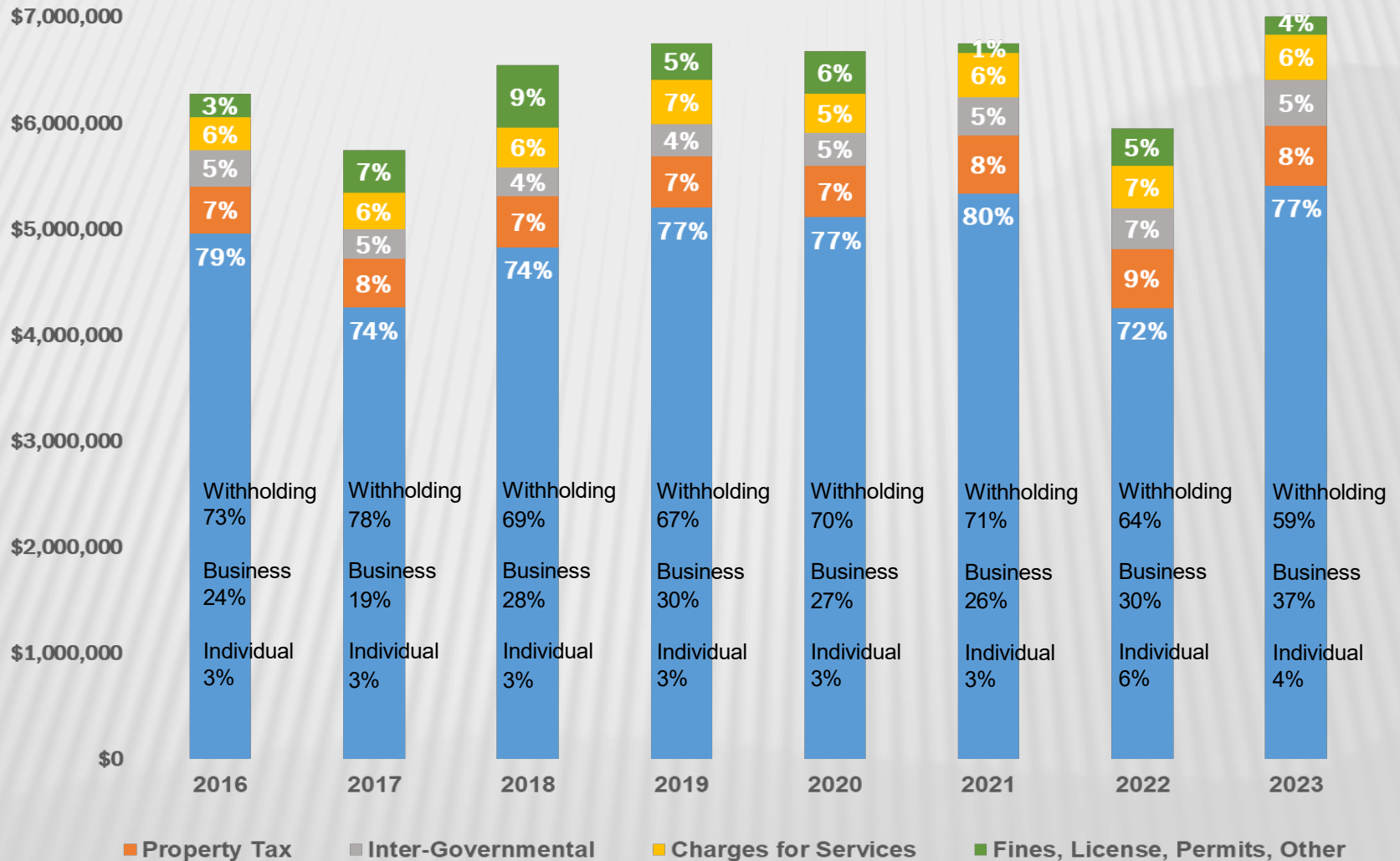
Where the Revenue Comes From

The revenues presented represent the total actual reported in 2023, excluding accruals and KWH tax. The primary revenue source for the General Fund is City Income Tax.



Excludes accruals, transfers and KWH tax.

General Fund – Revenue Trends



Excludes accruals, transfers and KWH tax.

General Fund – Expenditures

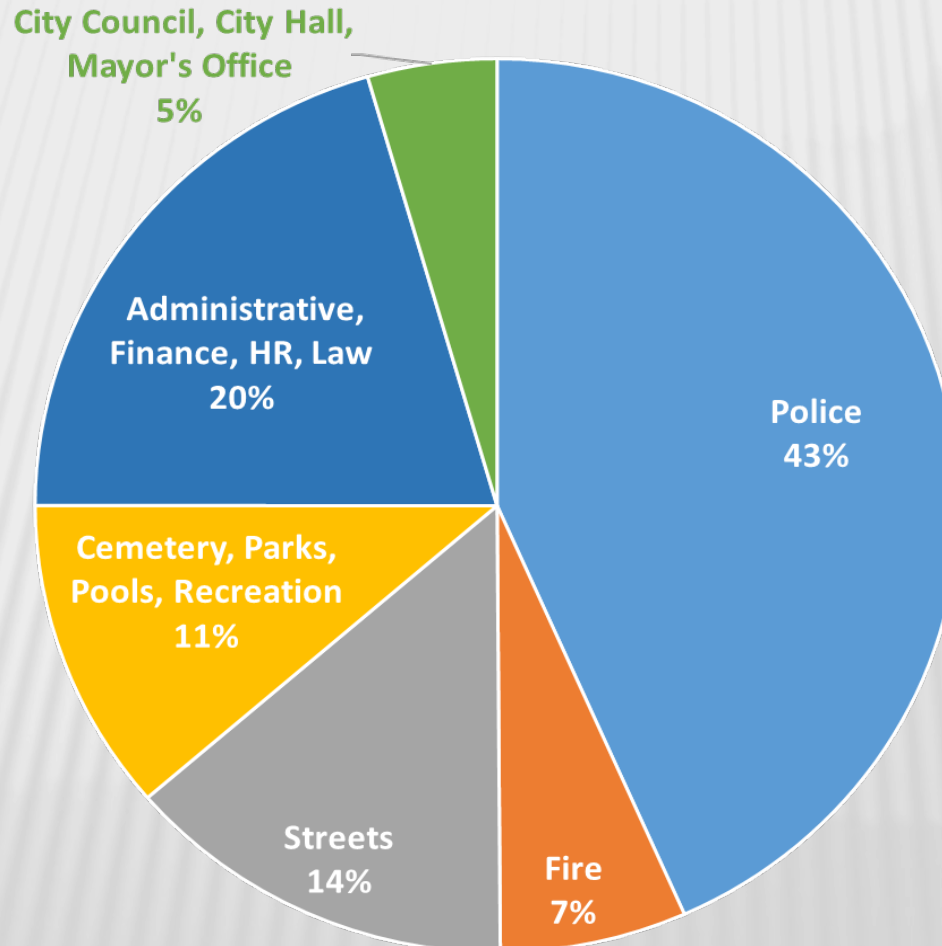
General Fund expenditures in 2023 (excluding accruals, transfers, and KWH tax) totaled \$6.8 million, reflecting a \$85,581 increase from 2022.

Department	2021 Actual	2022 Actual	2023 Actual	Increase / (Decrease)
Police	\$ 2,659,514	\$ 2,779,479	\$ 2,963,197	\$ 183,718
Fire	802,721	630,744	446,565	(184,179)
Streets	934,010	895,212	941,673	46,461
Cemetery, Parks, Pools, Recreation	592,699	749,487	775,071	25,584
Administrative, Finance, HR, Law	1,289,423	1,398,140	1,399,270	1,130
City Council, City Hall, Mayor's Office	<u>343,575</u>	<u>296,249</u>	<u>309,116</u>	<u>12,867</u>
Grand Total	\$ 6,621,942	\$ 6,749,311	\$ 6,834,892	\$ 85,581

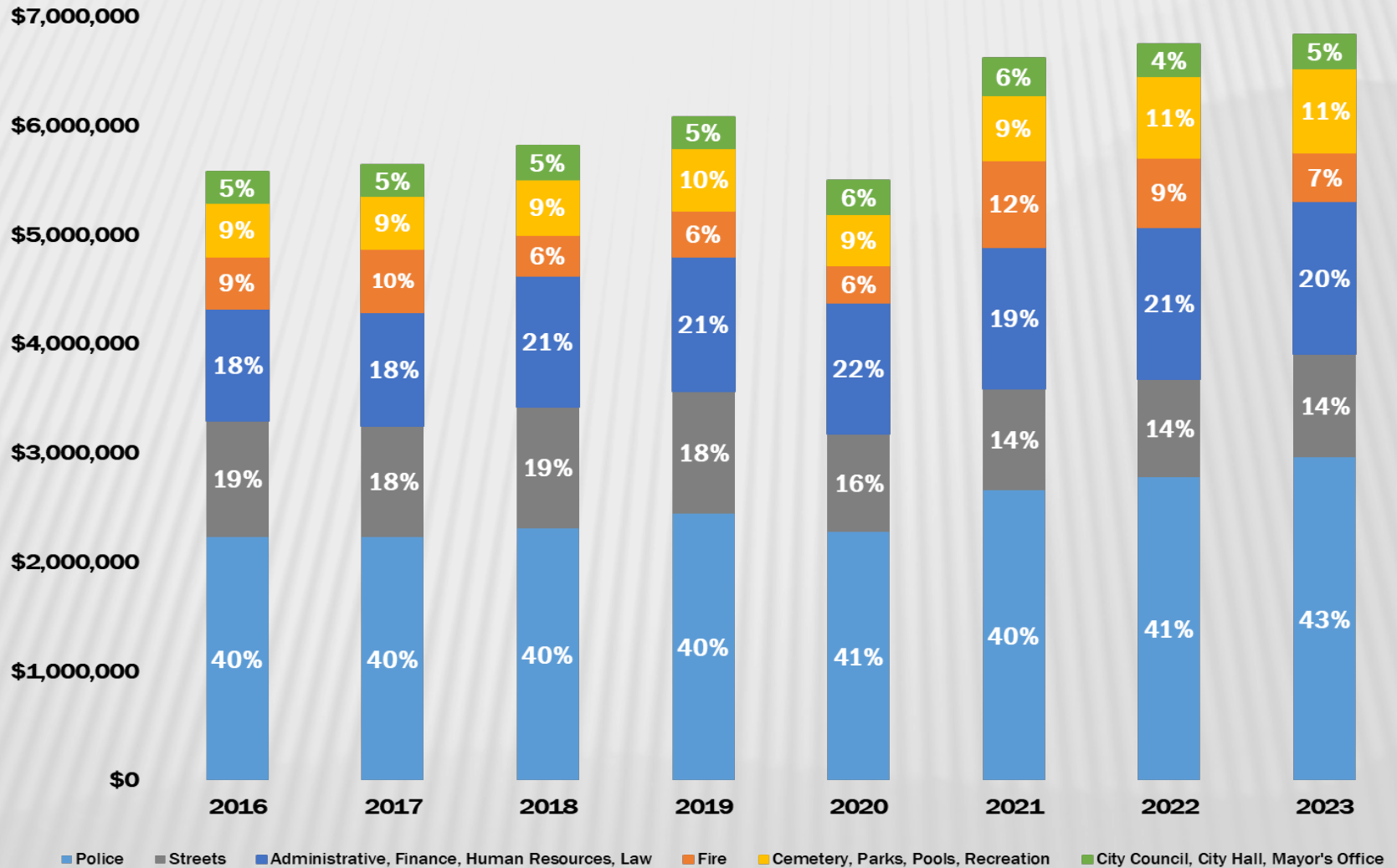
General Fund – Expenditures 2023

Where the Money Goes

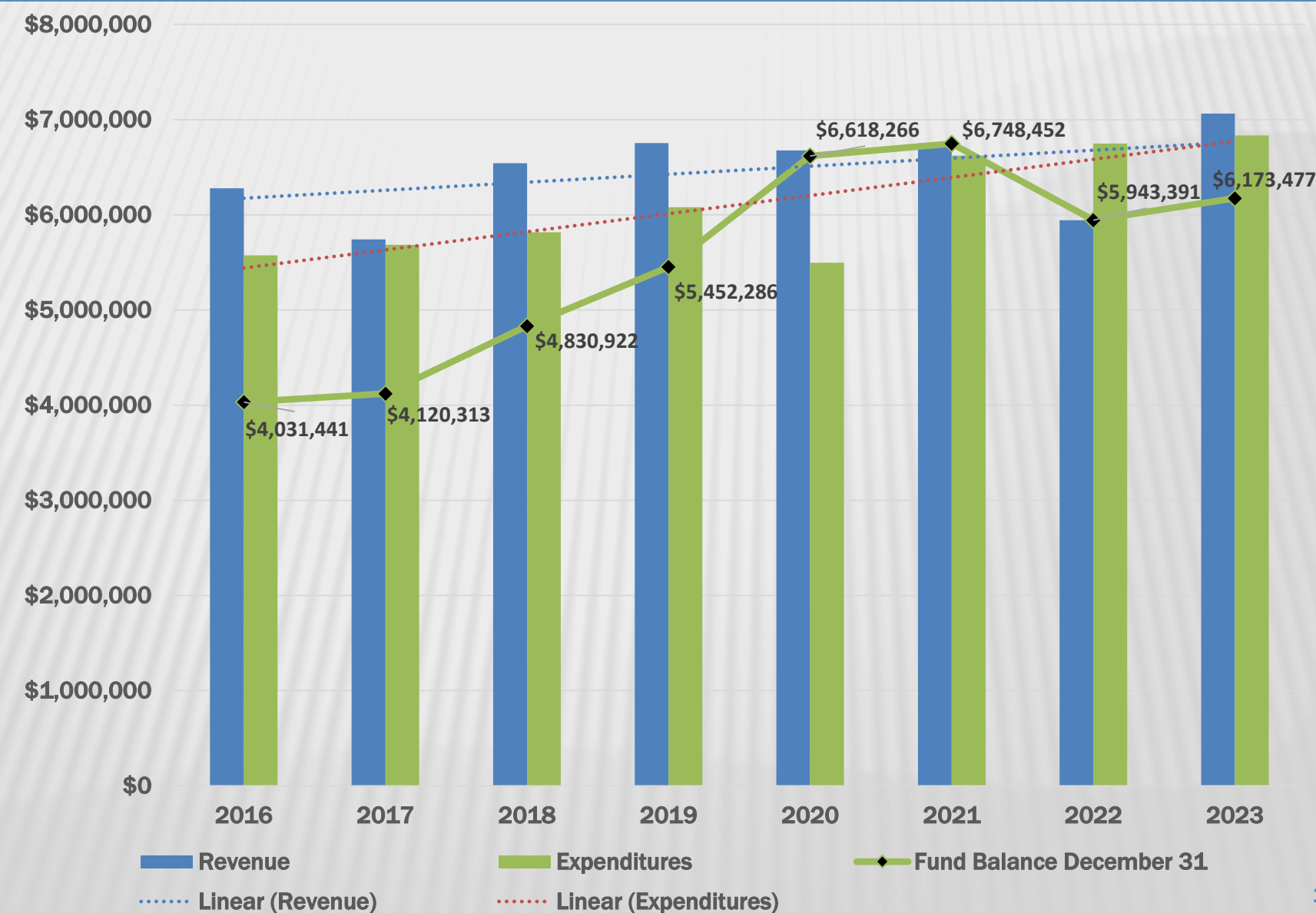
The expenditures presented are total actual reported in 2023, excluding accruals, transfers and KWH tax. Major expenditure service areas include Police, Fire and Streets.



General Fund – Expenditure Trends



General Fund – Revenues, Expenditures, Year End Fund Balance



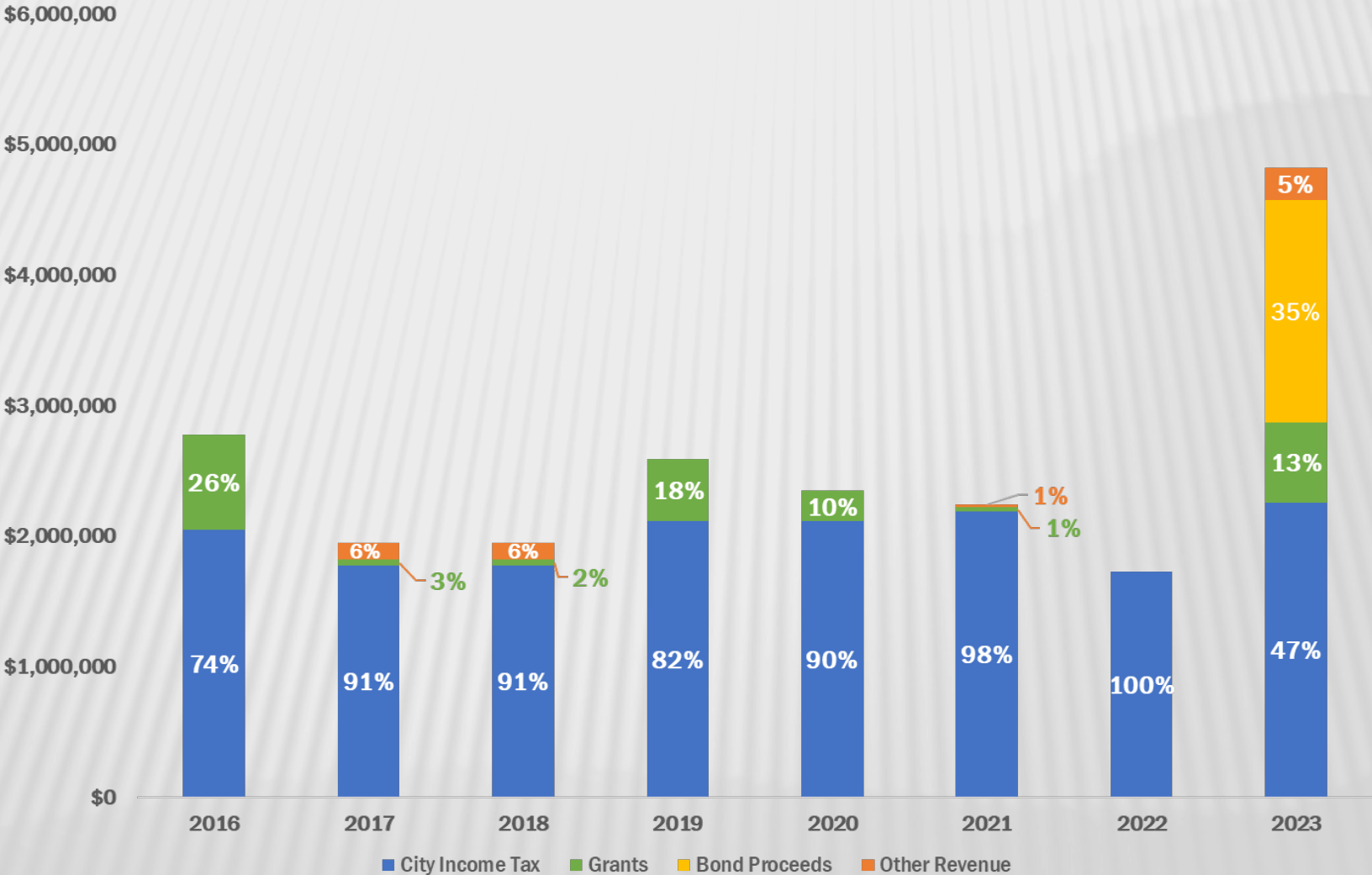
Capital Fund – Revenue Sources

The Capital Fund receives 30% of income tax revenue. Revenues for 2023 total \$4.8 million.

Source	2021 Actual	2022 Actual	2023 Actual	Increase / (Decrease)
City Income Tax	\$ 2,189,634	\$ 1,730,734	\$ 2,257,971	\$ 527,237
Grants	30,000	-	613,739	613,739
Bond Proceeds	-	-	1,700,000	1,700,000
Other Revenue	<u>25,734</u>	<u>-</u>	<u>250,040</u>	<u>250,040</u>
Grand Total	\$ 2,245,368	\$ 1,730,734	\$ 4,821,750	\$ 3,091,016

Excludes accruals, transfers and KWH tax.

Capital Fund – Revenue Trends

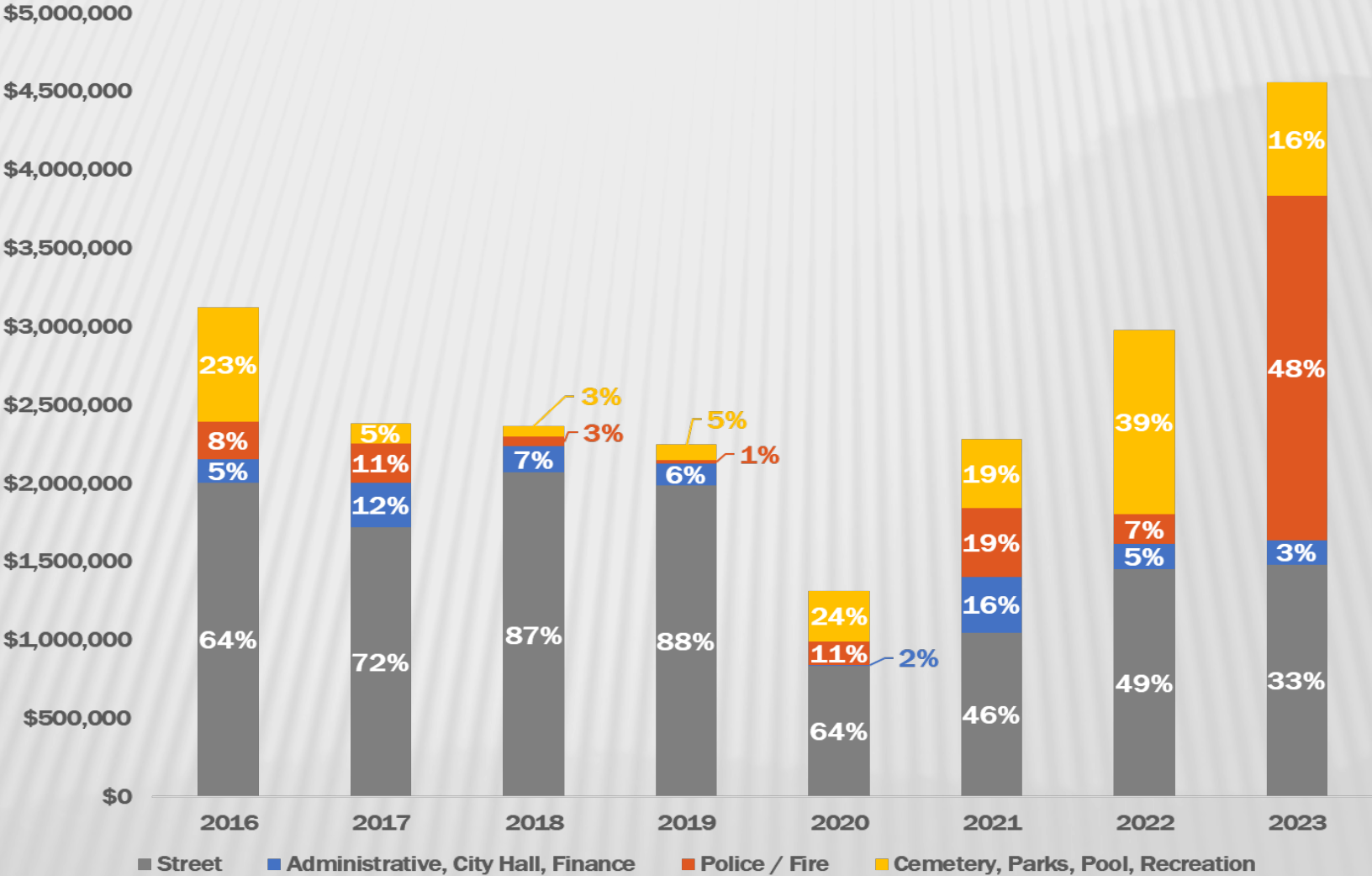


Excludes accruals, transfers and KWH tax.

Capital Fund – Expenditures

Department	2016 Actual	2017 Actual	2018 Actual	2019 Actual	2020 Actual	2021 Actual	2022 Actual	2023 Actual
Streets	\$ 2,002,027.0	\$ 1,718,700.0	\$ 2,066,816.0	\$ 1,985,947.0	\$ 834,815	\$ 1,046,439	\$ 1,450,422	\$ 1,482,018
Parks	704,193	99,112	46,269	43,997	320,141	416,664	1,168,120	714,303
Police	161,605	77,766	36,450	12,693	109,565	59,230	82,402	81,668
Fire	81,033	173,867	24,034	9,209	39,317	378,876	109,383	2,116,111
Cemetery	22,954	-	-	1,382	-	11,792	3,160	-
Pool	-	29,034	22,494	54,805	600	11,556	5,300	6,935
Admin, City Hall, Finance	<u>148,668</u>	<u>285,025</u>	<u>168,396</u>	<u>141,863</u>	<u>7,103</u>	<u>355,176</u>	<u>160,272</u>	<u>155,539</u>
Grand Total	\$ 3,120,480	\$ 2,383,504	\$ 2,364,459	\$ 2,249,896	\$ 1,311,542	\$ 2,279,733	\$ 2,979,059	\$ 4,556,574

Capital Fund – Expenditure Trends



Proprietary Funds - Enterprise

Proprietary Funds include Enterprise and Internal Service Funds. Enterprise Funds are designated for activities that charge fees to external users for goods or services.

Fund	Balance 1/1/2023	Net Income	Balance 12/31/23
SEWER REVENUE FUND	\$ 1,105,650	\$ 388,260	\$ 1,493,910
SEWER REPLACEMENT & IMPROVEMENT FUND	1,581,151	(106,217)	1,474,934
SEWER UTILITY RESERVE	2,979,364	(42,474)	2,936,889
ELECTRIC REVENUE FUND	\$ 15,688,488	\$ 3,511,162	\$ 19,199,650
PRECIPITATOR IMPROVEMENT	19	-	19
GUARANTEE DEPOSIT TRUST FUND	862,919	28,339	891,258
ELECTRIC REPLACEMENT & IMPROVEMENT FUND	3,056,694	35,977	3,092,671
ELECTRIC UTILITY RESERVE FUND	39,591,939	161,704	39,753,644

Proprietary Funds - Enterprise

Proprietary Funds include Enterprise and Internal Service Funds. Enterprise Funds are designated for activities that charge fees to external users for goods or services.

Fund	Balance 1/1/2023	Net Income	Balance 12/31/23
WATER REVENUE FUND	\$ 2,869,490	26,657	\$ 2,896,147
WATER BOND RETIREMENT FUND	-	-	-
WATER REPLACEMENT & IMPROVEMENT FUND	808,152	45,761	853,912
WATER UTILITY RESERVE FUND	4,697,800	1,368,406	6,066,207
WATER UTILITY GRANTS FUND III	41,711	-	41,711

Includes accruals, transfers and KWH Tax.

Electric Funds – Revenue Sources

The Electric Funds support the provision of electric power service to residents, and commercial users within the City and surrounding areas. In 2023 revenues increased \$1,409,014 compared to 2022, primarily attributed to the sale of assets.

Utility Revenue Source	2021 Actual	2022 Actual	2023 Actual	Increase / Decrease
G/S Small Electric	\$ 253,713	\$ 283,845	\$ 303,534	\$ 19,689
G/S Medium Electric	2,658,466	2,662,347	2,546,649	(115,698)
G/S Large Electric	5,364,577	5,386,961	5,360,640	(26,321)
Industrial / Commercial Electric	13,266,430	13,586,554	13,004,972	(581,582)
Interdepartmental Electric	302,083	290,317	285,312	(5,005)
Other Income Electric	748,868	814,252	3,627,466	2,813,214
Residential Electric	8,107,667	8,064,741	7,781,839	(282,902)
Wholesale Sales Electric	<u>3,253,716</u>	<u>4,806,287</u>	<u>4,393,906</u>	<u>(412,381)</u>
Grand Total	\$ 33,955,520	\$ 35,895,304	\$ 37,304,318	\$ 1,409,014

Excludes accruals, transfers and KWH tax.

Electric Funds – Expenditures

Total Electric Fund expenditures, excluding accruals, KWH tax, and working capital transfers decreased \$2,151,891. The decrease is primarily due to reductions in coal and purchased power expenses.

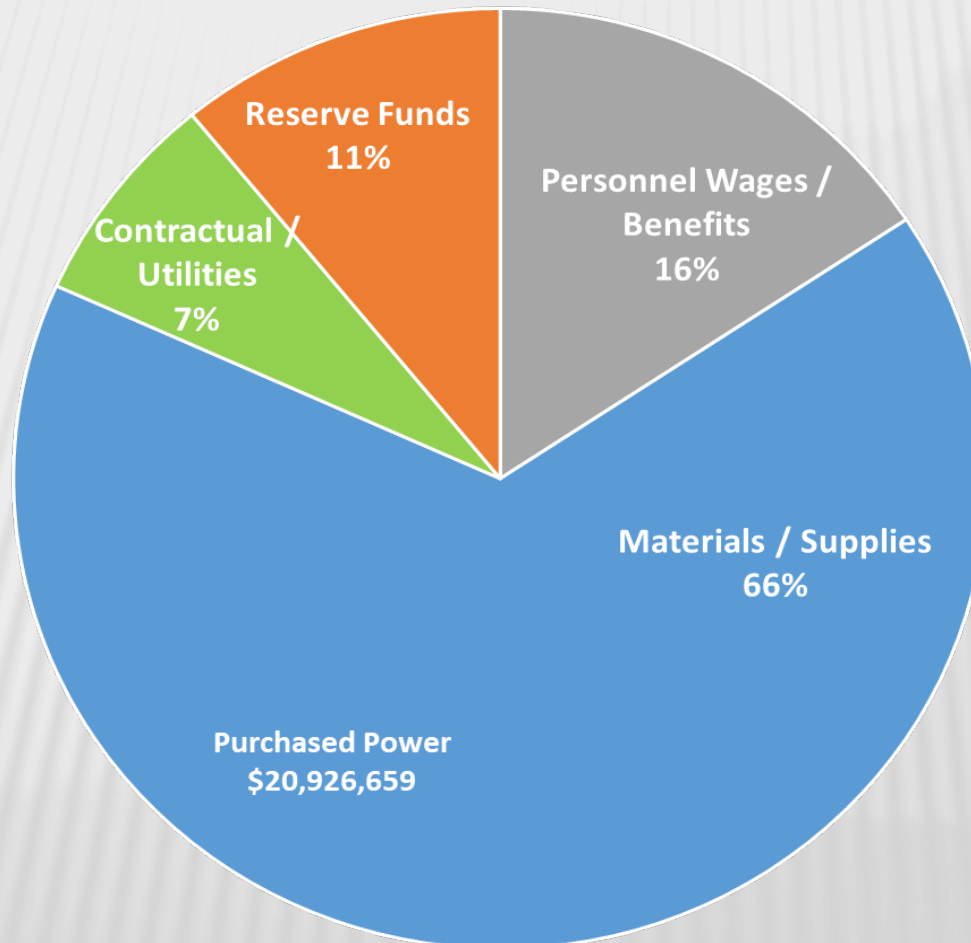
Electric Utility Funds	2021 Actual	2022 Actual	2023 Actual	Increase / (Decrease)
Personnel Wages / Benefits	\$ 5,333,036	\$ 5,446,959	\$ 5,277,081	\$ (169,878)
Materials and Supplies	22,427,229	24,787,978	22,177,159	(2,610,819)
Contractual / Utilities	2,911,863	2,843,627	2,470,967	(372,660)
Reserve Funds	<u>759,682</u>	<u>2,667,282</u>	<u>3,668,748</u>	<u>1,001,466</u>
Grand Total	\$ 31,431,810	\$ 35,745,846	\$ 33,593,955	\$ (2,151,891)

Excludes accruals, transfers and KWH tax.

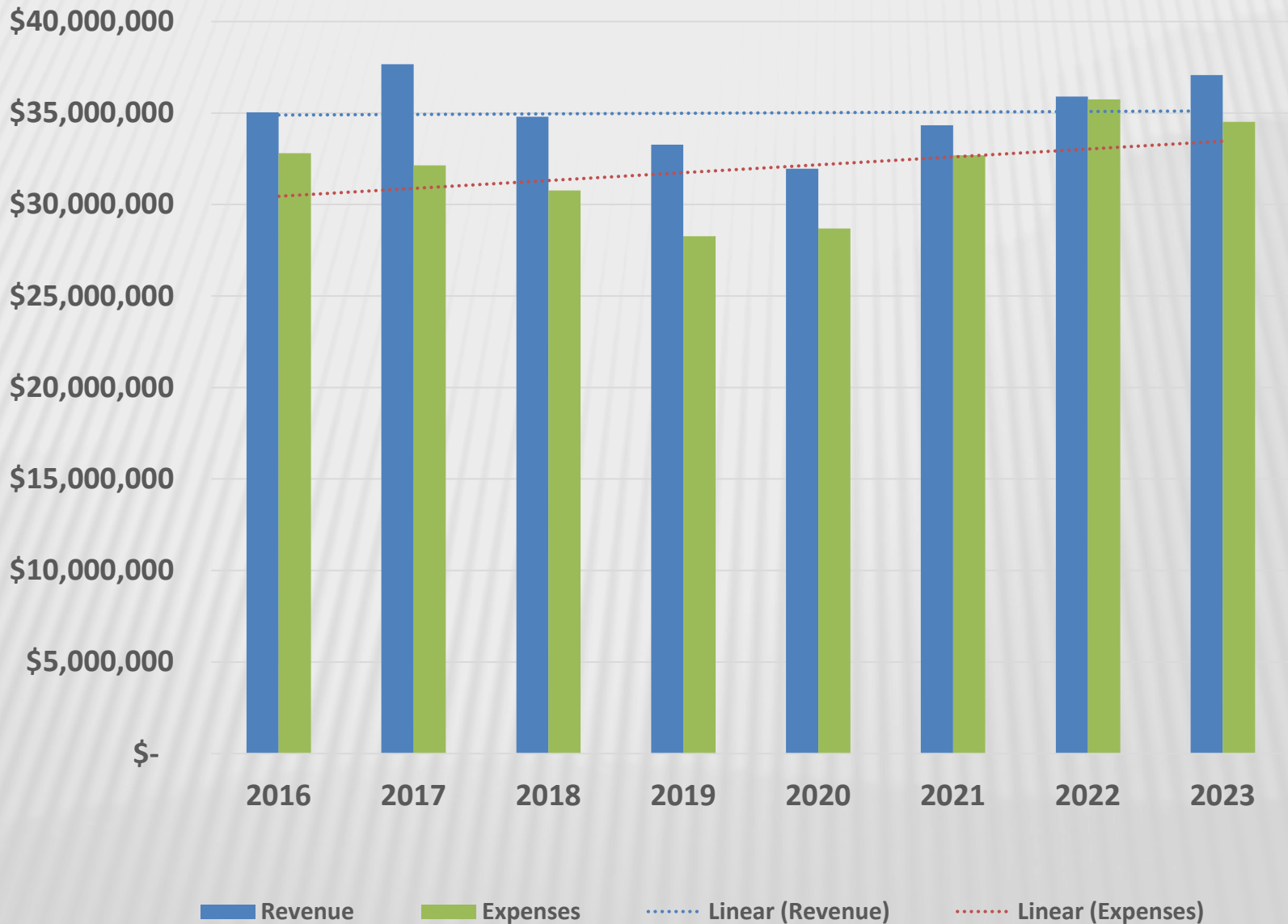
Electric Funds – Expenditures 2023

Where the Money Goes

The expenditures presented represent the total actual reported in 2023, excluding accruals, KWH tax and working capital transfers. Major expenditures are in materials and supplies are for for coal, natural gas and purchased power.



Electric Funds – Revenues, Expenditures



Water Funds – Expenditures

Total Water Fund expenditures, excluding accruals and working capital transfers, increased \$101,470 in 2023.

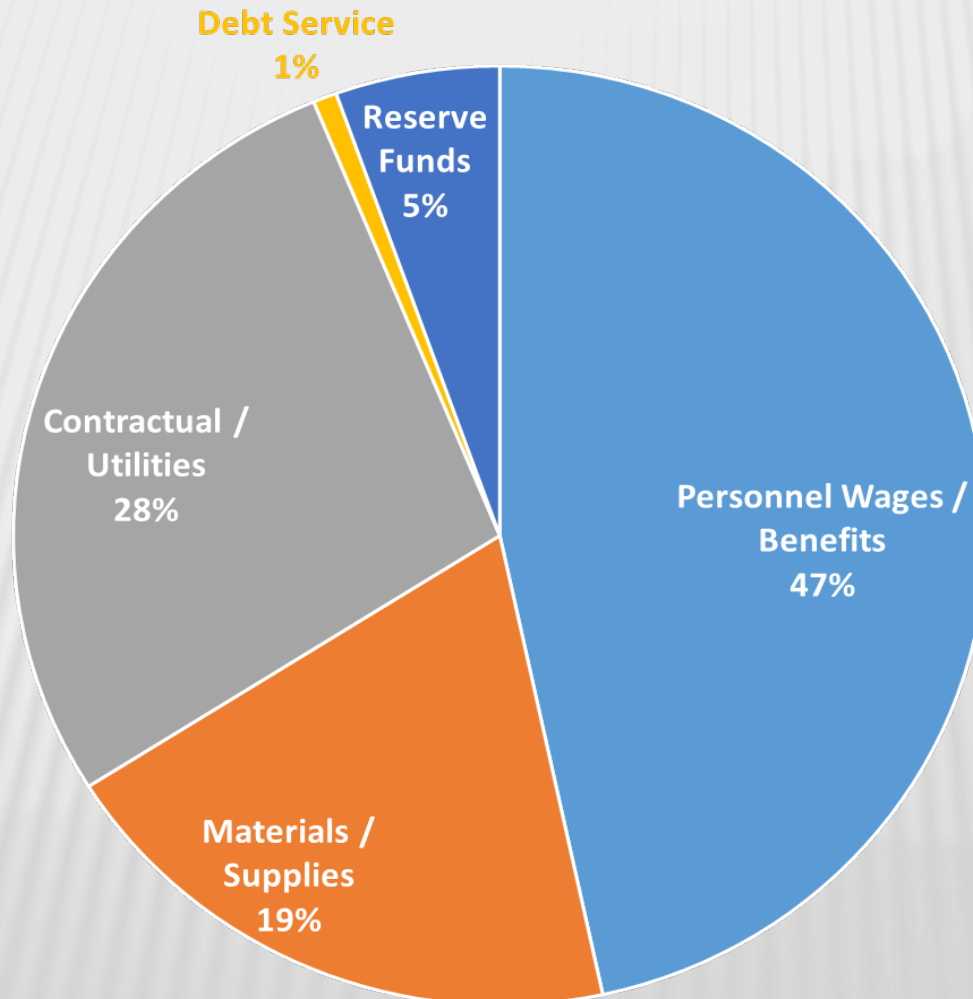
Water Utility Funds	2021 Actual	2022 Actual	2023 Actual	Increase / (Decrease)
Personnel Wages / Benefits	\$ 1,306,484	\$ 1,282,886	\$ 1,284,061	\$ 1,175
Materials and Supplies	290,548	471,149	535,367	64,218
Contractual / Utilities	492,120	441,705	763,599	321,894
Debt Service	381,844	130,743	21,667	(109,076)
Reserve Funds	<u>403,946</u>	<u>327,256</u>	<u>150,515</u>	<u>(176,741)</u>
Grand Total	\$ 2,874,942	\$ 2,653,739	\$ 2,755,209	\$ 101,470

Excludes accruals, transfers and KWH tax.

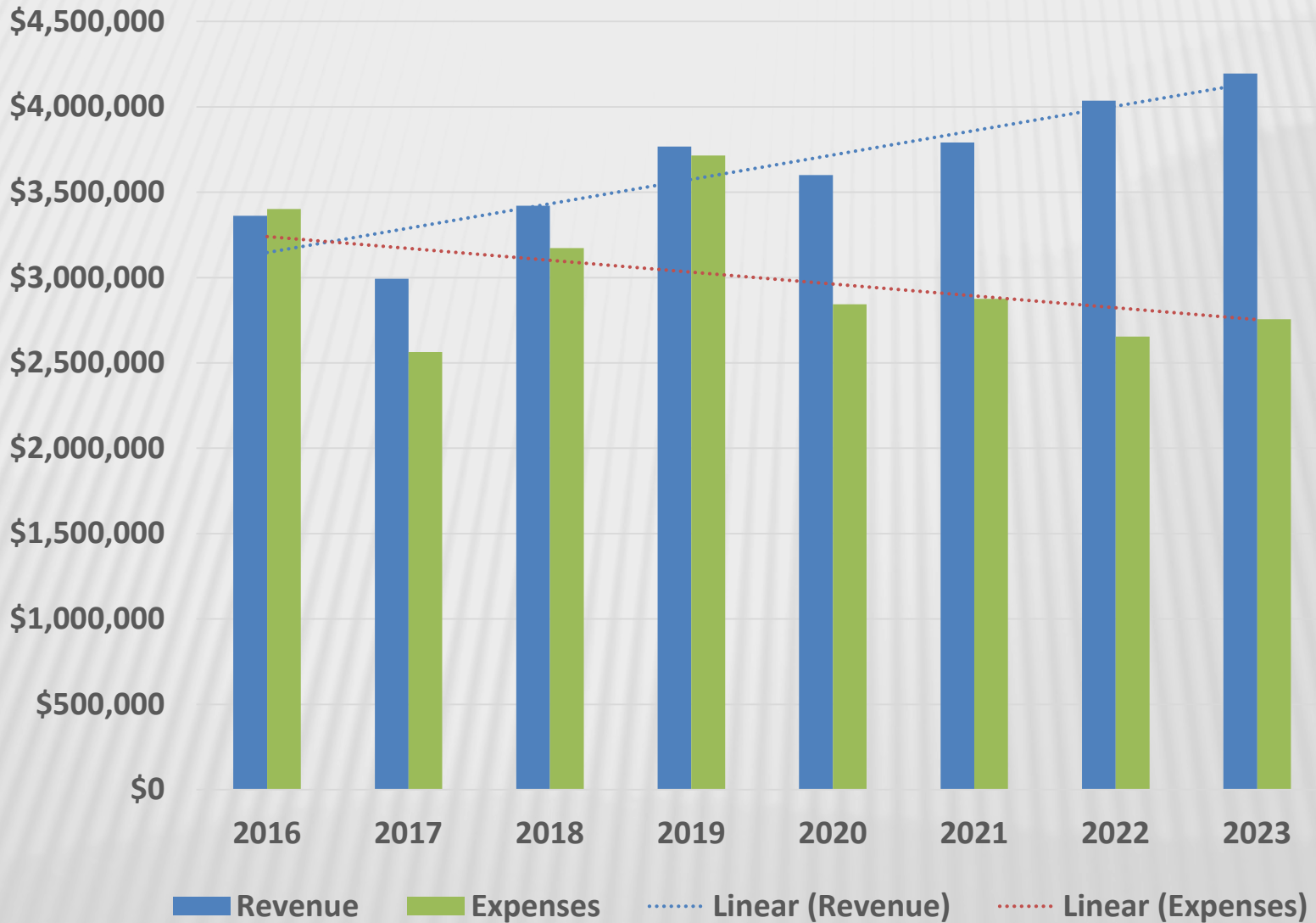
Water Funds – Expenditures 2023

Where the Money Goes

The expenditures presented represent the total actual reported in 2023, excluding accruals and working capital transfers.



Water Funds – Revenues, Expenditures



Wastewater Funds – Revenue Sources

The Wastewater Funds support the provision of sanitary sewer service to resident and commercial users within the City. In 2023, revenues increased by \$234,960 compared to 2022.

Utility Revenue Source	2021 Actual	2022 Actual	2023 Actual	Increase / Decrease
Food Processors	\$ 663,031	\$ 710,377	\$ 742,842	\$ 32,465
Industrial Commercial Wastewater	457,664	497,643	504,019	6,376
Interdepartmental Wastewater	55,458	66,726	69,119	2,393
Other Income Wastewater	124,136	86,163	276,712	190,549
Residential Wastewater	<u>1,259,409</u>	<u>1,337,790</u>	<u>1,340,967</u>	<u>3,177</u>
Grand Total	\$ 2,559,698	\$ 2,698,699	\$ 2,933,659	\$ 234,960

Excludes accruals, transfers and KWH tax.

Wastewater Funds – Expenditures

Total Wastewater Fund expenditures, excluding accruals and working capital transfers increased \$20,088 in 2023.

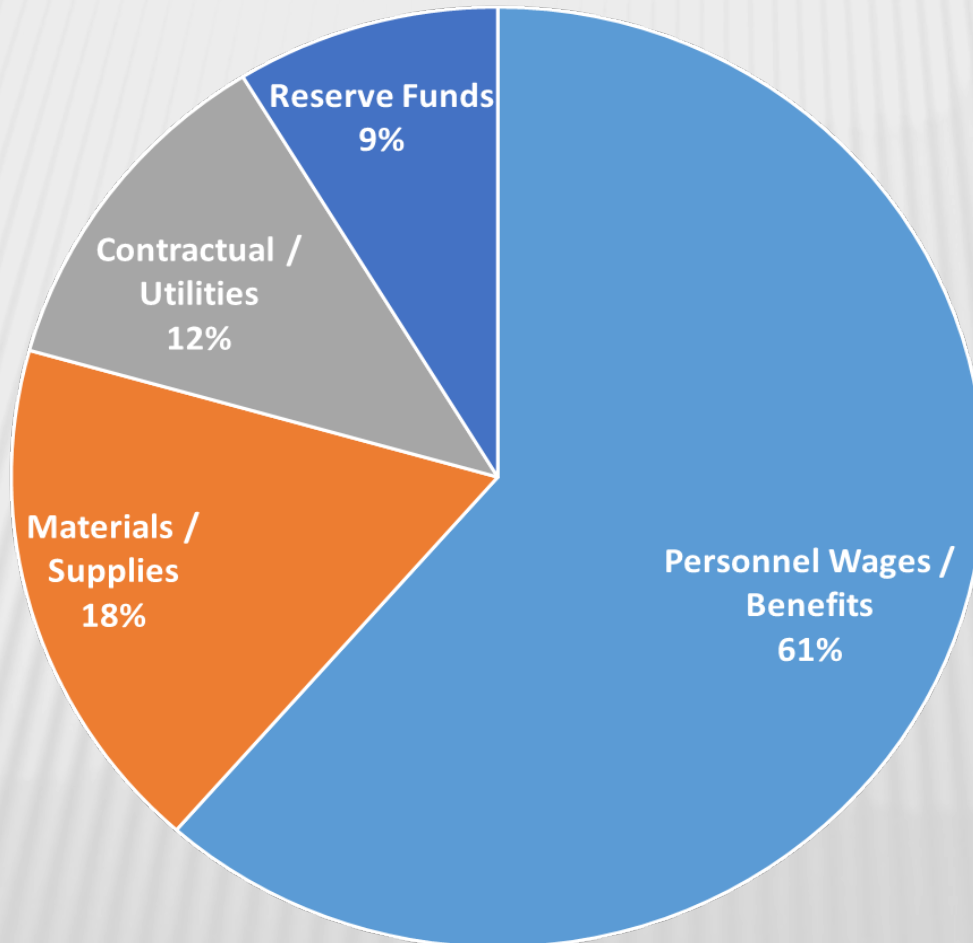
Wastewater Utility Funds	2021 Actual	2022 Actual	2023 Actual	Increase / (Decrease)
Personnel Wages / Benefits	\$ 1,499,325	\$ 1,765,792	\$ 1,656,455	\$ (109,337)
Materials and Supplies	204,557	342,593	481,221	138,628
Contractual / Utilities	338,893	385,112	319,852	(65,260)
Reserve Funds	<u>21,152</u>	<u>180,500</u>	<u>236,557</u>	<u>56,057</u>
Grand Total	\$ 2,063,927	\$ 2,673,997	\$ 2,694,085	\$ 20,088

Excludes accruals, transfers and KWH tax.

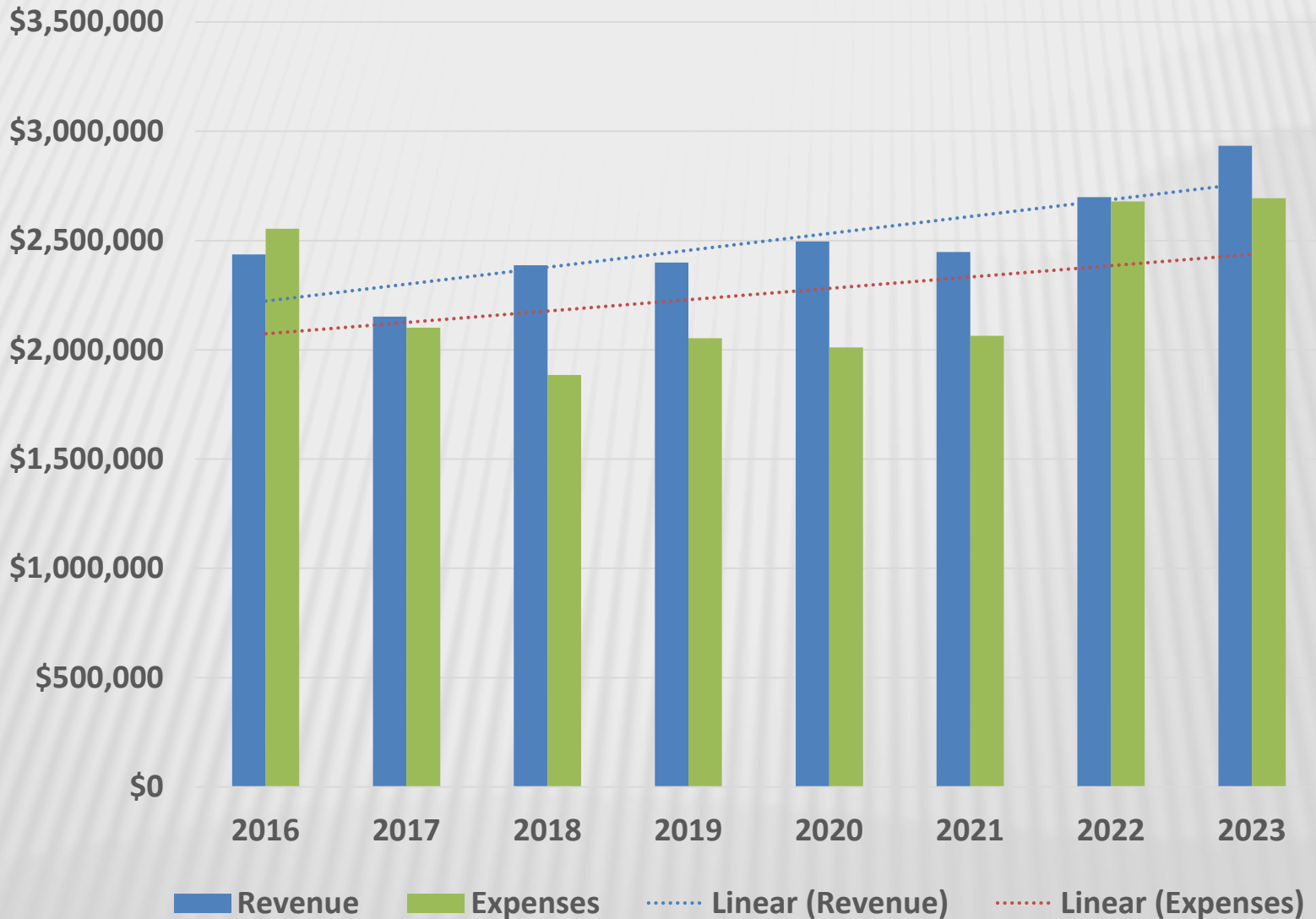
Wastewater Funds – Expenditures 2023

Where the Money Goes

The expenditures presented represent the total actual reported in 2023, excluding accruals and working capital transfers.



Wastewater Funds – Revenues, Expenditures



Debt Service, Special Assessment, Fiduciary Funds

Debt Service and Special Assessment funds manage restricted financial resources for principal and interest payments. Fiduciary Funds account for assets held by the City under trust agreements for individuals, private organizations, or other governments, thus not available for the City’s own programs.

Fund	Balance 1/1/2023	Net Income	Balance 12/31/23
DEBT SERVICE:			
GENERAL BOND RETIREMENT FUND	\$ 4,152	\$ -	\$ 4,152
FIDUCIARY:			
CEMETERY MEMORIAL TRUST INCOME FUND	\$ 309	\$ 47	\$ 356
CEMETERY MEMORIAL TRUST	4,027	-	4,027
SPECIAL ASSESSMENTS:			
SPECIAL ASSESSMENT BOND RETIREMENT FUND	\$ 195,994	\$ 2,256.55	\$ 198,251
TOTAL ALL FUNDS	\$ 84,847,609	\$ 5,972,701	\$ 90,820,309

Outstanding Debt

Debt	2016	2017	2018	2019	2020	2021	2022	2023
TAX SUPPORTED:								
2015 OPWC Loan	\$ 480,444	\$ 456,422	\$ 432,400	\$ 408,378	\$ 384,356	\$ 360,334	\$ 336,311	\$ 312,289
Fire Truck Acquisition Bonds	-	-	-	-	-	-	-	1,700,000
Total Tax Supported Outstanding Debt	\$ 480,444	\$ 456,422	\$ 432,400	\$ 408,378	\$ 384,356	\$ 360,334	\$ 336,311	\$2,012,289
ENTERPRISE:								
1999 Water System Improvements	\$ 120,883	\$ 60,441	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2007 Water System Improvements	415,831	394,164	372,497	350,830	350,830	307,496	285,829	264,167
Refunding Revenue Bonds	1,965,000	1,655,000	1,335,000	1,010,000	675,000	340,000	-	-
Notes Payable	400,000	300,000	-	-	-	-	-	-
Total Enterprise Outstanding Debt	\$2,901,714	\$2,409,605	\$1,707,497	\$1,360,830	\$1,025,830	\$ 647,496	\$ 285,829	\$ 264,167

Investments

Investment Type	2017 Actual	2018 Actual	2019 Actual	2020 Actual	2021 Actual	2022 Actual	2023 Actual
Government Agencies	\$ 20,491,319	\$ 24,491,978	\$ 27,755,383	\$ 29,911,600	\$ 36,777,052	\$ 37,641,642	\$ 48,480,161
CDARS	3,081,635	3,081,455	3,700,307	6,823,971	5,691,883	2,227,995	1,230,991
Other Investments	<u>10,040,472</u>	<u>11,127,832</u>	<u>17,599,959</u>	<u>12,840,479</u>	<u>7,331,155</u>	<u>10,118,583</u>	<u>22,893,811</u>
Total Investments	\$ 33,613,426	\$ 38,701,265	\$ 49,055,649	\$ 49,576,050	\$ 49,800,090	\$ 49,988,220	\$ 72,604,963

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For the Fiscal Year Ended

December 31, 2022

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Thank You